Instr:201002170005620
P:1 of 3 F:$36.00 02/17/2010
Rick Campbell 2:16PM LEAS
Stark County Recorder T20100004741

NON-DRILLING OIL & GAS LEASE

THIS AGREEMENT, made this 16th day of **February**, 2010, between **Susan K. Fitzgerald, fka Susan K. Schankweiler and Jeffery Fitzgerald – husband and wife**, Lessors, and Dorfman Production Company of 8144 Walnut Hill Lane, Suite 1060, LB #64, Dallas, TX 75231, Lessee, does witness:

1. Lessor, in consideration of the sum of One and no/100 dollars ($1.00), the receipt of which is hereby acknowledged and of the covenants and agreements herein contained, does hereby grant unto Lessee all of the oil and gas and the constituents of either, in and under the lands hereinafter described together with the exclusive right to operate for, produce, and market oil and gas and their constituents from a well or wells on other lands. **THIS IS A NON-DRILLING LEASE AGREEMENT. THERE SHALL BE NO WELLS, ROADS, PIPELINES OR PRODUCTION EQUIPMENT OF ANY KIND LOCATED ON THE SURFACE OF THE LEASED PREMISES UNLESS APPROVED BY LESSOR. THE LEASED PREMISES SHALL ONLY BE USED TO UNITIZE WITH OTHER LANDS TO FORM AN OIL AND GAS DRILLING UNIT.**

2. This lease covers the premises situated in Section **25** of the Township of **Plain**, County of **Stark**, State of **Ohio**, containing **4.42** acres, more or less, bounded substantially as follows:

On the North by lands of **War Ren Associates, Roberts, Shreve**

On the East by lands of **Winter, City of Canton**

On the South by lands of **City of Canton, Cedar Oaks Inc.**

On the West by lands of **Millvale Avenue NE**

Parcel No(s): **5216398, 5216402**

3. This lease shall remain in force for a primary term of **three (3)** years and as long thereafter as operations described above are being conducted; or oil or gas is produced, or is capable of being produced from a well located on the drilling unit.

4. The royalties to be paid by Lessee are (a) on oil, one-eighth (1/8) of that produced and saved from said land, same to be delivered to the credit of the Lessor, (b) on gas of whatsoever nature or kind produced and sold, one-eighth (1/8) of the proceeds realized by Lessee from the sale thereof; (c) on gas of whatsoever nature or kind and used by Lessee (off the premises), one-eighth (1/8) of the highest price paid at the time of use for natural gas by a public utility purchasing gas in the same county. In the event all wells on the drilling unit are shut in for any reason for a continuous period of six months, then on or before the end of each calendar year during which such wells are shut in, Lessee shall pay Lessor a shut in payment of One Dollars ($1.00) per year per acre, prorated for the period such wells are shut in and this lease shall continue in full force and effect as provided in paragraph 3 so long as such payments are made.

5. If operations for a well are not commenced on the drilling unit within **two (2)** months from the date of this lease, this lease shall terminate as to both parties unless Lessee on or before that date shall pay or tender to the Lessor the sum of **Fifty Dollars ($50.00)** Annually which shall operate as a rental and cover the privilege of deferring the commencement of operation for a well for twelve (12) months from said date. Such rentals may, at the option of Lessee, be paid annually. In like manner and upon like payments or tenders, the commencement of operations for a well may be further deferred for periods of the same number of months within the primary term of this lease. This and all other payments due under this lease shall be made by cash or

Instr:201002170005620
P:2 of 3 F:$36.00 02/17/2010
Rick Campbell 2:16PM LEAS
Stark County Recorder T20100004741

check and shall be deemed tendered when either delivered to Lessor or any of them or mailed to lessor or any of them at the above address. This lease shall not terminate for failure to pay said rentals or any other payments due under this lease unless Lessor gives Lessee or his assigns written notice of said failure and the amount due is not paid within ten days of the receipt of said notice by Lessee.

6. If Lessor owns a lesser interest in the above described land than the entire undivided fee simple estate therein, then the royalties and rentals provided for herein shall be paid to the Lessor only in the proportion in which his interest bears to the whole and undivided fee. In the event a well drilled hereunder is a dry hole and is plugged according to law, this lease shall terminate within twelve (12) months from the date of the completion of the plugging of such well Lessee shall commence another well or unless Lessee pays delay rental as hereinabove provided.

7. The rights of either party hereunder may be assigned in whole or in part. No change in ownership of the land or the rentals or royalties shall be binding on the Lessee until Lessee has received notice and has been furnished with the written transfer or certified copy thereof. In the event this lease shall be assigned as to part or as to parts of the above described lands, and the holder or owner of any such parts fail or make default in the payment of its proportionate part of the delay rental, such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said land upon which Lessee or any assignee hereof shall make due payment of said rentals.

8. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that Lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the said lands and production and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself from any payments due hereunder.

9. This lease shall be subject to governmental rules or regulations, and this lease shall not be terminated, in whole or in part, nor shall Lessee be held liable in damages, for failure to comply herewith, if compliance is prevented by, or such failure is the result of, any such law, rule or regulation. Lessor grants Lessee the authority to compromise or settle any disputes with government agencies relating to this lease or production therefrom.

10. Lessee is hereby granted the right at any time to unitize the leased premises or any portion thereof, as to any or all strata or stratum, with any other lands for the production of oil and/or gas and/or the constituents of either. No such unit shall embrace more than sixty (60)) acres; provided that if any government regulation shall prescribe a spacing pattern for the development of the field, then any such unit may embrace as much additional acreage as may be so prescribed. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises. Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated in paragraph 4 as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis, bears to the total acreage in the unit.

11. Lessee may at any time surrender all or any part of this lease by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county. After a partial surrender, the rental and shut in payments specified above shall be proportionately reduced on acreage basis.

12. This lease and all its terms, conditions and stipulations shall extend to and be binding on all heirs, successors and assigns of Lessor or Lessee. This lease contains all of the agreements and understandings of the Lessor and the Lessee respecting the subject matter hereof and no implied covenants or obligations, or verbal representations or promises, have been made or relied upon by Lessor or Lessee supplementing or modifying this lease or as an inducement thereto.

Instr:201002170005620
P:3 of 3 F:$36.00 02/17/2010
Rick Campbell 2:16PM LEAS
Stark County Recorder T20100004741

The undersigned have executed this instrument on the date appearing above.

Lessor(s):

Susan K Fitzgerald

x Susan K Schankweiler

Susan K. Fitzgerald fka Susan K. Shankweiler

x Jeffery J Fitzgerald

Jeffery Fitzgerald

STATE OF **Ohio**

COUNTY OF **Stark**

The foregoing instrument was acknowledged before me this 16th day of **February,** 2010, by **Susan K. Fitzgerald, fka Susan K. Schankweiler and Jeffery Fitzgerald - husband and wife**

My Commission Expires:

Notary Public

NOTARIAL SEAL STATE OF OHIO

DWIGHT SAMMET
Notary Public, State of Ohio
My Commission Expires 06-16-2013

This Instrument Prepared By: Dorfman Production Company 19220 State Route 62 Beloit, OH 44609